



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

MARY ANN WRIGHT  
*Acting Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

May 3, 2005

Lon Thomas  
Star Stone Quarries, Inc.  
4040 South 300 West  
Murray, Utah 84107

Subject: Replacement Surety Bond and Reclamation Contract for Star Stone Quarries, Inc., Heber Quarry, M/051/001, Wasatch County, Utah

Dear Mr. Thomas:

On March 22, 2005, we received a replacement surety bond from Developers Surety and Indemnity Company which replaces the Redland Surety Bond #ABC0010194. The bond was issued effective February 23, 2002. On March 24, 2005 we received a bond amending paragraph 2 on page 1 to show the plan was approved by the Division on December 2, 2002 and changing the acreage from 15 acres of land disturbed to 20.67 acres of land.

The Acting Division Director signed the Reclamation Contract on March 22, 2005. Copies of the Developers Surety bond with rider and the Reclamation Contract are enclosed for your records. The map entitled, Star Stone Quarries Inc. Heber Quarry (5-year plan) was provided to you during your office visit on March 22, 2005. Also enclosed are the former original Reclamation Contract with the original Redland Surety bond and rider.

Thank you for your help in replacing these surety documents. If you have any questions regarding this letter, please contact me at (801) 538-5258.

Sincerely,

Susan M. White  
Mining Program Coordinator  
Minerals Regulatory Program

SMW:lk:jb

Enclosure: Copies of Developers Surety & Rider, current reclamation contract  
Original Redland Surety & Rider, original former Reclamation Contract  
O:\M051-Wasatch\M0510001-heber-quarry\final\replacement-surety.doc



**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION of OIL, GAS and MINING**  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291  
Fax: (801) 359-3940

RECEIVED

MAR 22 2005

**RECLAMATION CONTRACT**

---ooOoo---

DIV OF OIL GAS & MINING

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) (Mineral Explored)	<u>M/051/001</u> <u>Sandstone</u>
"MINE LOCATION": (Name of Project) (Description)	<u>Heber Quarry</u> <u>4.9 miles east of Main Street</u> <u>Heber City on Center Street</u> <u>Wasatch County</u>
"DISTURBED AREA": (Disturbed Acres) (Legal Description)	<u>20.67</u> <u>(Refer to Attachment "A")</u>
"OPERATOR": (Company or Name) (Address)	<u>Star Stone Quarries, Inc.</u> <u>4040 South 300 West</u> <u>Salt Lake City, Utah 84107</u>
(Phone)	<u>(801) 262-4300</u>



"OPERATOR'S REGISTERED AGENT":

Name)

Lon A. Thomas.

(Address)

4040 South 300 West

Salt Lake City, Utah 84107

(Phone)

(801) 262-4300

"OPERATOR'S OFFICER(S)" & TITLE:

Lon Thomas, President

Beverly Thomas, Secretary - Treasurer

SURETY":

(Form of Surety - Attachment B)

Surety Bond

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Developers Surety and Indemnity Company  
Bond Number

"SURETY AMOUNT":

(Escalated Dollars)

\$102,500.00

"ESCALATION YEAR":

2005

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Star Stone Quarries, Inc. the "Operator" and the Utah State Division of Oil, Gas and Mining (□Division□).

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/051/001 which has been approved/accepted by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved/accepted Reclamation Plan or Notice, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.



NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Notice of Intention approved/accepted by the Division on December 2, 2002. The Reclamation Plan and/or Notice of Intention, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification,



Operator may make request to the Division that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.



OPERATOR:

Star Stone Quarries, Inc.  
Operator Name

By Lon A. Thomas  
Authorized Officer (Typed or Printed)

President  
Authorized Officer - Position

Lon Thomas  
Officer's Signature

3-22-05  
Date

STATE OF Utah )  
COUNTY OF Salt Lake ) ss:

On the 22<sup>nd</sup> day of March, 2005, Lon A. Thomas  
personally appeared before me, who being by me duly sworn did say that he/she is the  
President of Star Stone Quarries, Inc. and duly  
acknowledged that said instrument was signed on behalf of said company by authority  
of its bylaws or a resolution of its board of directors and said Lon A. Thomas duly  
acknowledged to me that said company executed the same.

Joelle Burns  
Notary Public  
Residing at S LC Utah  
April 4, 2009  
My Commission Expires:





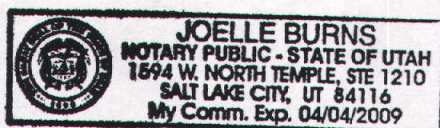
DIVISION OF OIL, GAS AND MINING:

By Mary Ann Wright  
Mary Ann Wright, Acting Director

Date 3/22/05

STATE OF Utah )  
COUNTY OF Salt Lake ) ss:

On the 22<sup>nd</sup> day of March, 2005, Mary Ann Wright personally appeared before me, who being duly sworn did say that she, the said Mary Ann Wright is the Acting Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and she duly acknowledged to me that she executed the foregoing document by authority of law on behalf of the State of Utah.



Joelle Burns  
Notary Public  
Residing at: SLC Utah

April 4, 2009  
My Commission Expires:



## ATTACHMENT "A"

Star Stone Quarries, Inc.  
Operator

Heber Quarry  
Mine Name

M/051/001  
Permit Number

Wasatch County, Utah

### LEGAL DESCRIPTION

*Include 1/4, 1/4, 1/4 sections, townships, ranges and any other descriptions that will legally determine where disturbed lands are located. Attach a topographic map of suitable scale (max. 1 inch = 500 feet; 1 inch = 200 feet or larger scale is preferred) showing township, range and sections and a clear outline of the disturbed area boundaries tied to this Reclamation Contract and surety.*

The detailed legal description of lands to be disturbed includes portions of the following lands not to exceed 20.67 acres under the approved / accepted permit and surety, as reflected on the attached map labeled Star Stone Quarries, Inc. Heber Quarry (5-year plan) and dated (prepared by DOGM) 5-7-01:

W ½ of SE ¼ and E ½ of SW of Section 6, Township 4 South, Range 6 East, SLBM, Wasatch County, Utah.



RECEIVED

MAR 24 2005

DIV. OF OIL, GAS & MINING

**DEVELOPERS SURETY AND INDEMNITY COMPANY**

**BOND RIDER**

To be attached to and form a part of Bond No. [REDACTED] Dated 2/23/2002. Star Stone Quarries, Inc., as Principal, and **DEVELOPERS SURETY AND INDEMNITY COMPANY**, as Surety, in favor of Department of Natural Resources (Utah), Division of Oil, Gas and Mining, as Obligee.

It is understood and agreed that the Bond is changed or revised in the particulars as indicated below:

Page 1, Paragraph 2 should read: Principal has estimated in the Mining and Reclamation Plan approved by the Division on the 2nd day of December, 2002 that 20.67 acres of land will be disturbed by mining operation in the State of Utah.

Exhibit "A" Legal Description reads: W 1/2 of SE 1/4 and E 1/2 of SW 1/4 of Section 6, Township 4 South, Range 6 East, SLBM, Wasatch County, Utah. 20.67 acres.

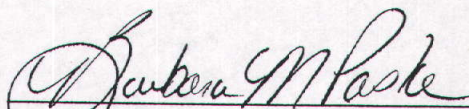
Said Bond shall be subject to all its terms, conditions, and limitations, except as herein expressly modified.

This Bond Rider shall become effective: 2/23/2002

IN WITNESS WHEREOF, **DEVELOPERS SURETY AND INDEMNITY COMPANY** has caused its corporate seal to be hereunto affixed this 22nd day of March, 2005.

(Seal)

**DEVELOPERS SURETY AND INDEMNITY COMPANY**

  
Barbara M. Paske, Attorney-in-Fact



**POWER OF ATTORNEY FOR  
DEVELOPERS SURETY AND INDEMNITY COMPANY**  
PO BOX 19725, IRVINE, CA 92623 (949) 263-3300  
www.InscoDico.com

KNOW ALL MEN BY THESE PRESENTS, that except as expressly limited, DEVELOPERS SURETY AND INDEMNITY COMPANY does hereby make, constitute and appoint:

**\*\*\*Fred Barker, Altus E. Wilder, III, Tina E. Switzer, Andrew C. Allison, Barbara M. Paske, jointly or severally\*\*\***

as its true and lawful Attorney(s)-in-Fact, to make, execute, deliver and acknowledge, for and on behalf of said corporation as surety, bonds, undertakings and contracts of suretyship giving and granting unto said Attorney(s)-in-Fact full power and authority to do and to perform every act necessary, requisite or proper to be done in connection therewith as the corporation could do, but reserving to the corporation full power of substitution and revocation, and all of the acts of said Attorney(s)-in-Fact, pursuant to these presents, are hereby ratified and confirmed.

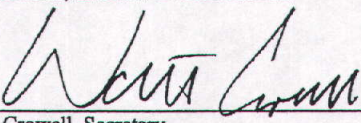
This Power of Attorney is granted and is signed by facsimile under and by authority of the following resolution adopted by the Board of Directors of DEVELOPERS SURETY AND INDEMNITY COMPANY effective as of November 1, 2000:

RESOLVED, that the Chairman of the Board, the President and any Vice President of the corporation be, and that each of them hereby is, authorized to execute Powers of Attorney, qualifying the Attorney(s)-in-Fact named in the Powers of Attorney to execute, on behalf of the corporation, bonds, undertakings and contracts of suretyship; and that the Secretary or any Assistant Secretary of the corporation be, and each of them hereby is, authorized to attest the execution of any such Power of Attorney;

RESOLVED, FURTHER, that the signatures of such officers may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures shall be valid and binding upon the corporation when so affixed and in the future with respect to any bond, undertaking or contract of suretyship to which it is attached.

IN WITNESS WHEREOF, DEVELOPERS SURETY AND INDEMNITY COMPANY has caused these presents to be signed by its respective Executive Vice President and attested by its Secretary this 1st day of February, 2005.

By:   
David H. Rhodes, Executive Vice-President

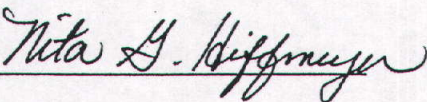
By:   
Walter A. Crowell, Secretary



STATE OF CALIFORNIA                     )  
   )SS.  
COUNTY OF ORANGE                     )

On February 1, 2005, before me, Nita G. Hiffmeyer, personally appeared David H. Rhodes and Walter A. Crowell, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal

Signature 



**CERTIFICATE**

The undersigned, as Executive Vice-President, of DEVELOPERS SURETY AND INDEMNITY COMPANY, does hereby certify that the foregoing Power of Attorney remains in full force and has not been revoked, and furthermore, that the provisions of the resolution of the respective Boards of Directors of said corporation set forth in the Power of Attorney, is in force as of the date of this Certificate.

This Certificate is executed in the City of Irvine, California, the 22nd day of March, 2005.

By:   
David L. Kerrigan, Executive Vice-President



RECEIVED

MAR 08 2005

DIV. OF OIL, GAS & MINING

ATTACHMENT B

FORM MR-5  
January 19, 2000

Bond Number [REDACTED]  
Permit Number M/051/001  
Mine Name HEBER QUARRY  
Replaces Bond #ABC0010194

DUPLICATE ORIGINAL

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
Division of Oil, Gas and Mining  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
Telephone: (801) 538-5291  
Fax: (801) 359-3940

THE MINED LAND RECLAMATION ACT

SURETY BOND

\*\*\*\*\*

The undersigned STAR STONE QUARRIES, INC., as Principal, and Developers Surety and Indemnity Company, as Surety, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors, and assigns, jointly and severally, unto the State of Utah, Division of Oil, Gas and Mining (Division) in the penal sum of ONE HUNDRED TWO THOUSAND FIVE HUNDRED AND NO/100 dollars (\$ 102,500.00).

Principal has estimated in the Mining and Reclamation Plan approved by the Division on the 2 day of Dec, 2002 that 15 acres of land will be disturbed by mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to the Reclamation Contract, of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal has satisfactorily reclaimed the disturbed lands in accordance with the approved Mining and Reclamation Plan and has faithfully performed all requirements of the Mined Land Reclamation Act, and complied with the Rules and Regulations adopted in accordance therewith, then this obligation shall be void; otherwise it shall remain in full force and effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of the disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act and regulations, then Principal may apply for a reduction in the amount of this Surety Bond.

In the converse, if the Mining and Reclamation Plan provides for a gradual increase in the area disturbed or the extent of disturbance, then, the Division may require that the amount of this Surety Bond be increased, with the written approval of the Surety.

This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the



Bond Number                       
Permit Number M/051/001  
Mine Name HEBER QUARRY  
Replaces Bond #ABC0010194

expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

STAR STONE QUARRIES, INC.  
Principal (Permittee)

Lon Thomas  
By (Name typed):

Pres.  
Title

Lon Thomas  
Signature

3-22-05  
Date

**Surety Company**

Developers Surety and Indemnity Company  
Surety Company Name

Barbara M. Paske  
Surety Company Officer

ATTORNEY-IN-FACT  
Title/Position

Barbara M Paske  
Signature

1603 22nd Street, Suite 200  
Street Address

West Des Moines, IA 50266  
City, State, Zip

515-267-9070  
Phone Number

2-23-02  
Date



Bond Number

Permit Number M1051/001

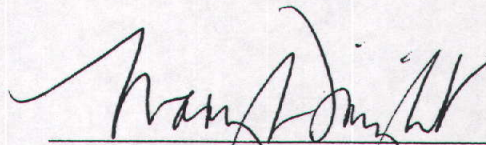
Mine Name HEBER QUARRY

Other Agency File Number

REPLACES BOND #ABC0010194

SO AGREED this 22 day of March, 20 05.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:



Mary Ann Wright, Acting Director  
Utah State Division of Oil, Gas and Mining

\*NOTE: Where one signs by virtue of Power of Attorney for a Surety, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.